

Network for a Free Society

(previously Atlas Economic Research Foundation (UK))

Annual Report and Financial Statements

Year ended 31 December 2013

Charity no: 262982

Network for a Free Society

Contents

Year ended 31 December 2013

	Page
Reference and Administrative Information	1
Report of the Trustees	2
Independent Auditor's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Principal Accounting Policies	9
Notes to the Financial Statements	10

Network for a Free Society

Reference and Administrative Information

Year ended 31 December 2013

Trustees

L Whetstone, Chairman

M Fisher

R Boyd

K Okonski

The Trustees were in position from 1 January 2013 to the date of this report.

Principal Office

Bassetts Manor

Hartfield

Sussex

TN7 4LA

Independent Examiner

Mark Bullock FCA

Murphy Salisbury

Chartered Accountants

15 Warwick Road

Stratford upon Avon

Warwickshire

CV37 6YW

Bankers

C Hoare & Co, 37 Fleet Street, London EC4P 4DG.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2013

Report of the Trustees for the year ended 31 December 2013

The Trustees present their report and the financial statements for the year ended 31 December 2013. The financial statements have been prepared in accordance with the accounting policies set out on page 9 and comply with the trust deed and applicable law. An independent examination of these accounts has been carried out and the report of the examiner is included on page 6.

Constitution

The Atlas Economic Research Foundation (UK), working as Network for a Free Society ("NFS") is constituted under a trust deed dated 30 July 1971, as amended by a Scheme sealed on 19 July 1984. It is a charity registered with the Charity Commission for England and Wales, number 262982. In December 2010, with the consent of the Charity Commission, adopted the working name of Network for a Free Society and is now known by that name.

Organisation

Network for a Free Society (NFS) is governed by its Board of Trustees who are appointed from time to time by the existing Trustees. Potential new Trustees are considered in terms of their fiduciary experience, understanding of the institutions of a free society and relevant special knowledge. As NFS is small and available time of Trustees is limited, the process of identifying candidates is informal and based on personal contact. Candidates are expected to be already familiar with NFS and its work so that they can make an immediate contribution. Training needs of Trustees may be discussed in Trustees' meetings and addressed on an individual basis as appropriate.

NFS is managed by its Chairman/Director. The Chairman/Director reports to the Trustees at Board meetings and seeks advice from them between meetings as necessary. The Trustees are responsible for setting broad policy, agreeing strategy, approving annual budgets and reviewing activities and results. The treasurer reviews management accounts on a quarterly basis and is informed of all payments over £2,000.

Independence

NFS is a non-governmental, educational and non-partisan organisation. We value highly our independence from political, commercial or other interests and are governed by a strict code of independence. NFS relies entirely on voluntary donations from individuals, foundations, other charities and businesses. We do not accept grants, donations or other payments from governments or their agencies. We do not accept commissions to perform research on behalf of others. We do not work on a 'consultancy' basis and donors do not have undue influence on what we say.

Risk review

The primary risks to which NFS is exposed are reputational, financial and loss of the Chairman/Director.

These risks are reviewed at Board Meetings.

Objects

The objects of NFS are to promote the advancement of learning by research into economic and political science and the publication of such research and in particular (1) by promoting the study of the effect of moral and political factors on the operation of economic laws; (2) by advancing knowledge of economic political and international relations; (3) by providing financial support to individuals engaged in research in the field of economic science; and (4) by joining with, collaborating with and supporting other charitable bodies engaged in similar activities.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2013

Aims and strategy

Our goal is to encourage opportunity and prosperity by promoting understanding of the principles of a free and responsible society and the foundations on which it is based: limited government, the rule of law, the protection of private property, free markets and free speech.

We pursue this goal by creating educational material in several languages which is then distributed to colleagues working with students worldwide. Currently we have material in Arabic, Chinese, English, Kyrgyz, Farsi, Portuguese, Russian and Turkish.

We also run meetings where our mission is explored and explained and fund fellowships to enable attendance by selected individuals who might not be able to pay all of the costs themselves.

Grant making policy

NFS makes grants to individuals and organisations to enable them to run seminars, conferences, essay competitions, camps and workshops where our CDs and other material that support our mission will be distributed, explored and discussed; and we make grants to individuals to enable them to attend such events. We also make grants for translation of texts that support the mission and for publication in hard or soft copy.

Reserves policy

The Trustees' overall objective is to maintain as high as possible a level of programme activity, and not to accumulate reserves beyond the level appropriate to operational requirements.

The Trustees believe that NFS should hold operating reserves because (i) it has no endowment funding and is entirely dependent for income on donor funding from year to year, which is inevitably subject to fluctuation, and (ii) new programme opportunities frequently arise at short notice. As the levels of income and outgoings cannot be predicted with any certainty, the appropriate level of reserves is likely to fluctuate. The Trustees believe that, as a general principle, the level of operating reserves should be equivalent to six months' budgeted operating expenses.

At 31 December 2013, free reserves, defined by the Charity Commission as unrestricted funds not represented by fixed assets, amounted to £128,934, a small increase from the 2012 level of £127,713.

Investment policy

It is the Trustees' policy to manage investments in a conservative manner, appropriate to the Reserves policy. Investments are not regarded as a permanent endowment, and investment income is not reinvested but used to support NFS's work. Funds available for investment, if any, are invested in professionally managed common investment funds. Investment results are reviewed regularly and policy is reviewed annually. NFS did not hold investments during the year under review. Reserves were held in the form of liquid deposits.

Public Benefit

The Trustees confirm that in exercising their powers and fulfilling their responsibilities in pursuit of the aims described above ("Aims and strategy") they have paid due regard to the guidance on public benefit published by the Charity Commission.

Website and Facebook

Its website and Facebook page are the primary means by which NFS communicates directly with the public.

These sites include: www.networkforafreesociety.org and <http://www.facebook.com/freesociety>.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2013

Financial Review

NFS benefited during the year from the receipt of grants from International Policy Network which enabled programme support in many areas. NFS does not have to raise money for regular administration which is carried out on a voluntary basis, or for office costs which are donated. It does, however, need funds for temporary assistance with administration, website creation and support; and for its programs which are mostly run by others on a programme by programme basis as funds permit. NFS presently has one salaried employee engaged in translation and in publication support.

NFS's total incoming resources were £223,355 (of which £199,110 were restricted), compared with £44,215 in 2012. Donations income, or "Voluntary Income", was £222,848 compared with £43,014 in 2012. Resources expended were £213,634. Grants totalling £135,917 were made in 2013 to organisations who ran essay competitions, educational seminars, camps and workshops as well as assisting with the production and distribution of CDs. We also provided for translation of a publication of the Institute of Economic Affairs which we had supported in 2012. Administration and Governance costs were £16,664. NFS prepares its accounts in Sterling; however, almost all donations are received in US Dollars and almost all grants and other disbursements are similarly made in US Dollars. Accordingly, funds are held in Dollar form pending use and gains or losses are recorded in the accounts depending on fluctuations in the Sterling-Dollar exchange rate. Details of expenditure may be found in the Notes 2-4 to the Accounts on page 10. Total funds carried forward at 31 December 2013 were £220,316, which included restricted funds of £91,382.

2013 Programme Activities

Programme activities in 2013 can be divided into two sections:

1) Translation of texts, creation and distribution of CDs

We funded translations into Arabic, Farsi, and Kurdish and the compiling of an Encyclopaedia in Arabic that covers economic and philosophical concepts from a liberal perspective. A number of the books translated into Arabic were subsequently published commercially as was one of the books translated into Farsi. We also supplied the copy for over 50% of a business magazine "Excellent Organisation" that is published in Iran.

We funded essay competitions in Africa generally and Nigeria specifically, also in Kyrgyzstan, Kazakhstan, Tajikistan, Armenia and Turkey. Unfortunately those planned in Ukraine and China had to be postponed due to political problems.

We funded educational seminars for students in Nigeria, Kenya, Pakistan, Kyrgyzstan, Turkey, Malaysia, Kazakhstan, Morocco and Tajikistan and residential conferences and seminars for intellectuals in Turkey, Pakistan, Malaysia and Morocco.

Our CDs were distributed in many countries including Nigeria, Morocco, Pakistan, Hungary, China, Botswana, Mozambique and Turkey and we eventually ran out of all 100,000 copies of the 2nd Edition in English of the CD 'Ideas for a Free Society'. Work started on a 3rd edition to be launched in 2014.

2) Meetings where our mission is explored and explained

NFS provided fellowships for Muslim intellectuals to attend a meeting of the Istanbul Network for Liberty in Islamabad at the end of February to discuss Islam and the Institutions of a Free Society.

Future

The Trustees intend to continue the type of programs carried out in 2013 although they may be somewhat reduced depending on funding available.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2013

Statement as to Disclosure of Information

The Trustees who were in office on the date of these financial statements have confirmed that, as far as they are aware, there is no relevant information of which the independent examiner is unaware. Each of the Trustees have confirmed that he/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant information and to establish that it has been communicated to the examiner.

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

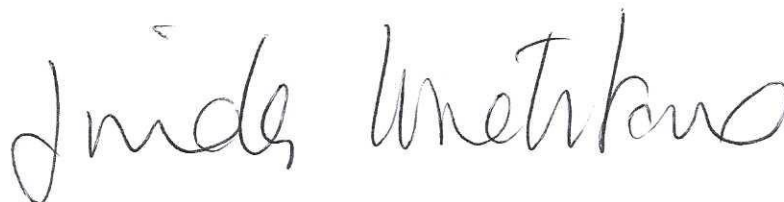
Approved by the Trustees and signed on their behalf by

LINDA WHETSTONE

Trustee

Date

5th May 2014



Network for a Free Society
Report of the Independent Examiner
Year ended 31 December 2013

Independent Examiner's Report to the Trustees of the Network for a Free Society.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the Charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of Section 144 of the Charities Act 2011 (the Act) does not apply, and that an independent examination is needed. It is my responsibility to examine the accounts under Section 145 of the Act and to follow the procedures specified in the General Directions given by the Charity Commission under Section 145(5) (b) of the Act and to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mark Bullock FCA
Murphy Salisbury
Chartered Accountants
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

5th May 2014

Network for a Free Society
Statement of Financial Activities
Year ended 31 December 2013

	Notes	Unrestricted Income Funds £	Restricted Income Funds £	Total Year to 31 December 2013 £	Total Year to 31 December 2012 £
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income		23,738	199,110	222,848	43,014
Investment income	1	507	-	507	906
Incoming resources from charitable activities:					
Meetings		-	-	-	295
TOTAL INCOMING RESOURCES		24,245	199,110	223,355	44,215
Resources Expended					
Charitable activities:					
Grants	2	13,333	122,584	135,917	35,452
Programme activities		769	60,284	61,053	74,203
Property and administration		6,816	7,742	14,558	2,317
Governance		2,106	-	2,106	2,000
TOTAL RESOURCES EXPENDED	3	23,024	190,610	213,634	113,972
NET (OUTGOING) INCOMING RESOURCES, BEING NET MOVEMENT IN FUNDS	4	1,221	8,500	9,721	(69,757)
TOTAL FUNDS BROUGHT FORWARD	10	127,713	82,882	210,595	280,352
TOTAL FUNDS CARRIED FORWARD	10	128,934	91,382	220,316	210,595

All of the above results are derived from continuing activities.

All gains and losses in the year are included above.

Network for a Free Society

Balance Sheet

At 31 December 2013

	Notes	At 31 December 2013 £	At 31 December 2012 £
Current Assets			
Debtors	7	-	2,306
Cash at bank		227,323	216,142
		<u>227,323</u>	<u>218,448</u>
Creditors: amounts falling due within one year	8	(7,007)	(7,853)
Net current assets		<u>220,316</u>	<u>210,595</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES	9	<u>220,316</u>	<u>210,595</u>
 Funds			
Unrestricted funds	10	128,934	127,713
Restricted funds	10	<u>91,382</u>	<u>82,882</u>
TOTAL FUNDS	10	<u>220,316</u>	<u>210,595</u>

Approved and authorised for issue by the Trustees on

5th May 2014

and signed on their behalf by

LINDA WHETSTONE
Trustee

Linda Whetstone

Network for a Free Society

Principal Accounting Policies

Year ended 31 December 2013

(a) Accounting convention

The financial statements are prepared under the historical cost convention in accordance with the Charities Act 2011. In preparing the financial statements, the charity follows UK accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005).

(b) Voluntary income

Voluntary income comprises donations and membership subscriptions. These are included in the year in which they are receivable, which is when the charity becomes entitled to the resource with reasonable certainty having met all the conditions for its receipt and it can be measured reliably.

(c) Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt.

(d) Resources expended

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs incurred in raising the media profile of the charity and encouraging voluntary donations. Fundraising costs comprise staff time and associated costs of preparing applications for funds.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Administration costs are those costs incurred in providing a central resource to manage the office of the charity on a day to day basis.

Governance costs are those legal and professional costs, including audit fees, and Trustees' expenses incurred in fulfilling the statutory obligations of the charity.

(e) Fund accounting

Details of the nature and purpose of each fund is set out in Note 12. Restricted funds are those donated to the charity for a specific purpose.

(f) Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Statement of Financial Activities.

(g) Allocation of expenditure

Expenditure is allocated to a particular activity where the cost relates directly to that activity..

(h) Cashflow statement

The charity has taken advantage of the exemption from preparing a cashflow statement in accordance with FRS1 as the charity is classed as a small entity.

(i) Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2013

1. Investment income

	Unrestricted £	Restricted £	2013 £	2012 £
COIF – deposit interest	506	-	506	904
Bank interest	1	-	1	2
Total	507	-	507	906

2. Grants payable

	Unrestricted £	Restricted £	2013 £	2012 £
African Liberty Organisation	-	12,903	12,903	7,097
Alternate Solutions Institute	-	7,742	7,742	1,935
Arab Center for Scientific Research and Humane Studies	-	26,452	26,452	-
Armenian Students for Liberty	-	1,290	1,290	-
Atlas Economic Research Foundation	3,981	2,843	6,824	-
Center for Advancement of Free Enterprise, Bosnia	-	1,935	1,935	-
Central Asian Free Market Institute, Kyrgyzstan	-	3,871	3,871	-
Centro de Estudos Mocambicanos e Internacional	-	-	-	1,290
Mamy Institute, Ukraine	-	1,935	1,935	-
Foundation for Research and Education in Economics	-	2,000	2,000	-
Institute For Democracy and Economic Affairs, Malaysia	-	20,000	20,000	-
Institut Coppet	-	2,258	2,258	-
Institute for Development and Economic Affairs, Kazakhstan	-	3,871	3,871	-
International Leadership Institute (Adams Library)	4,516	1,935	6,451	-
Istanbul Network for Liberty	3,925	-	3,925	-
Istanbul Network for Liberty, Pakistan	-	6,452	6,452	-
Language of Liberty Institute	-	-	-	7,742
Cathay Institute for Public Policy	-	-	-	6,452
Afghan Economical and Legal Studies Organisation	-	-	-	968
Association for Liberal Thinking, Turkey	645	15,484	16,129	-
Samriddhi The Prosperity Foundation	-	-	-	968
Tajikistan Free Market Centre	-	3,871	3,871	-
The Transition Institute, China	266	7,742	8,008	-
The Institute of Economic Affairs	-	-	-	9,000
Total	13,333	122,584	135,917	35,452

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2013

3. Total resources expended

Costs directly related to activities:	2013 £	2012 £
Property and administration costs:		
Office and accounting costs	2,694	2,639
Property costs	-	(1,790)
Bank fees	937	742
Loss on foreign exchange	8,428	726
Communications and website	2,499	-
	<u>14,558</u>	<u>2,317</u>
Grants	135,917	35,452
CD Project	797	12,132
Arabic Project	13,049	13,173
Farsi Project	44,764	32,383
Miscellaneous Translations	2,443	-
Outreach conference	-	16,515
Governance	2,106	2,000
Total resources expended	213,634	113,972

4. Net (outgoing)/incoming resources

This is stated after charging:

	2013 £	2012 £
Independent examination	2,070	2,100
Loss on foreign exchange	8,428	726

5. Staff costs and remuneration of trustees

Staff costs:	2013 £	2012 £
Wages and salaries	36,000	24,000
Social security costs	3,914	2,623
	<u>39,914</u>	<u>26,623</u>

The average number of staff employed, calculated as full time equivalents, during the year was as follows:

	2013 No.	2012 No.
	<u>1</u>	<u>1</u>

No employee received remuneration of more than £60,000 in either the current or preceding year.

None of the Trustees received any remuneration or expenses from, or made any donations to, the charity during either the current or previous years. There were no amounts owed to the Chairman at the year end (2012: £1,624).

6. Taxation

The charity is exempt from corporation tax on its charitable activities.

Network for a Free Society
Notes to the Financial Statements
Year ended 31 December 2013

7. Debtors

	2013 £	2012 £
Due within one year:		
Other debtors	-	2,306

8. Creditors: amounts falling due within one year

	2013 £	2012 £
Other creditors	-	1,624
Taxation and social security	3,151	3,229
Accruals	3,856	3,000
Total	7,007	7,853

9. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Current Assets	132,790	94,533	227,323
Current Liabilities	(3,856)	(3,151)	(7,007)
Total	128,934	91,382	220,316

10. Unrestricted and restricted funds

	At 1 January 2013 £	Incoming Resources £	Outgoing Resources £	At 31 December 2013 £
Unrestricted funds	127,713	24,245	(23,024)	128,934
Restricted funds:				
Ideas CD project	-	16,129	(3,055)	13,074
Arabic Project	52,311	25,484	(39,500)	38,295
Farsi Project	28,571	56,207	(44,765)	40,013
Essay Competitions and Educational Seminars	-	101,290	(101,290)	-
IEA Publication	2,000	-	(2,000)	-
Total restricted funds	82,882	199,110	(190,610)	91,382
Total funds	210,595	223,355	(213,634)	220,316

Unrestricted funds – comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Restricted funds – are funds which have been given for particular purposes and projects: meetings are those where our mission is explored and explained; the ideas CD involves the translation of texts and creation and distribution of CDs; there are specific projects relating to Arabic and Farsi translations; there are specific projects relating to essay competitions and educational seminars in African and Asian countries; and funds were received for an IEA publication on the foundations of liberty.